



# Department of Justice

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## **TWO INDIVIDUALS CONVICTED ON CHARGES OF CONSPIRACY AND BRIBERY IN CONNECTION WITH A U.S. ARMY CORPS OF ENGINEERS NEW ORLEANS LEVEE RECONSTRUCTION PROJECT**

WASHINGTON — A former contract employee of the U.S. Army Corps of Engineers and a dirt, sand and gravel subcontractor were both convicted on charges of conspiracy and bribery in connection with a \$16 million hurricane protection project for the reconstruction of the Lake Cataouatche Levee, south of New Orleans, the U.S. Department of Justice announced today. The Lake Cataouatche Levee is an eight mile section that currently represents the system's lowest and most vulnerable stretch and protects the citizens of Jefferson and St. Charles Parishes.

Late yesterday, a federal jury found Durwanda Elizabeth Morgan Heinrich and Kern Carver Bernard Wilson each guilty of one count of conspiring to commit bribery. Additionally, Heinrich was found guilty of two counts of offering a bribe to a public official, and Wilson was found guilty of one count of demanding and agreeing to accept a bribe as a public official.

The conduct centered on an attempt by Heinrich, Wilson and Raul Miranda, a previously charged former contract employee of the U.S. Army Corps of Engineers, to steer a dirt, sand and gravel subcontract on the levee project to Heinrich in return for Heinrich using part of the proceeds from the subcontract to pay bribes to Wilson and Miranda for their assistance. In August 2007, Miranda, of Houston, pleaded guilty to agreeing to accept this bribe.

"We are pleased that after being presented with the government's evidence, the jury found these individuals guilty of conspiracy and bribery," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "Neither the greedy conduct of corrupt officials, nor the contractors who bribe them, will be ignored, and this conviction shows that those who engage in illegal conduct will be held accountable for their actions."

The convictions are the result of an ongoing investigation of fraud in the procurement of levee reconstruction contracts let by the U.S. Army Corps of Engineers being conducted by the Antitrust Division's Dallas Field Office, the U.S. Attorneys Office for the Eastern District of Louisiana, the Vicksburg Fraud Resident Agency of the U.S. Army Criminal Investigation Command and the Department of Defense's Criminal Investigative Service through the Hurricane Katrina Fraud Task Force.

"These convictions are further compelling evidence of the absolute commitment of the U.S. Department of Justice and our partners in federal law enforcement to maintain a zero

tolerance for any public corruption in the Eastern District of Louisiana, which is so critical to our rebuilding in the wake of the devastation wrought by Hurricane Katrina,” said U.S. Attorney Jim Letten. “This office and our law enforcement partners will continue to stand guard over this region, its people and our rebuilding process.”

Sentencing for Heinrich and Wilson is scheduled for July 8, 2009, before the Honorable Judge Carl J. Barbier. The conspiracy charge carries a maximum penalty of five years in prison and a maximum fine of not more than three times the amount of the bribe. The bribery charges each carry a maximum penalty of 15 years imprisonment and a maximum fine of not more than three times the amount of the bribe. Heinrich and Wilson may also be disqualified from holding any position in the U.S. government.

In September 2005, the Hurricane Katrina Fraud Task Force, now the Disaster Fraud Task Force, was created to deter, investigate and prosecute disaster-related federal crimes. To date, the Task Force has charged 1245 defendants in 1160 cases. Anyone with information concerning anticompetitive conduct, fraud, or other allegations of illegal activity is urged to call the Disaster Fraud Hotline at 866-720-5721, the Antitrust Division’s Dallas Field Office at 214-661-8600, or the Atlanta Field Office at 404-331-7100.

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